



U.S. Department of the Interior
"To-Be" Trust Business Model
Process Template

Title: Receipt of Funds

Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)

Process Number
FO.1

1. Process Definition *Provide an overview of the process and define its starting and ending points*

1.1 Starts With	Complete a commitment of funds.
1.2 Process Overview	<p>This process controls the flow of funds from receipt through posting to the appropriate accounts.</p> <p>For a detailed explanation, see the following:</p> <p>FO.1.1a Create Trust Funds Receivable</p> <p>FO.1.1b Create Non-Trust Funds Receivable</p> <p>FO.1.2a Receive and Post Trust Funds</p> <p>FO.1.2b Receive and Post Non-Trust Funds</p> <p>FO.1.3 Reconcile Exceptions</p> <p>FO.1.4 Impose Penalties and Generate Notices</p>
1.3 Stops With	Posting of funds to the appropriate funds receivable and beneficiary accounts. Penalty and late fees charged to delinquent and deficient payors. 10-day show cause notice sent at line official's request.

2. Trust Business Objectives *Identify the Comprehensive Trust Model strategic goals and business objectives to which this process contributes.*

Goal/Objective
Deposit and post funds to the appropriate accounts in a timely and accurate manner within applicable standards.

3. How should Beneficiaries be involved in this process?

Beneficiary Involvement
No direct beneficiary involvement. However, beneficiaries hold the accounts to which trust-related receipts are posted.

4. Organizations, Offices and Roles. *Identify the DOI organizations and related roles that should be involved in performing the process.*

4.1 DOI Organizations. *Identify the DOI organizations, offices and individual roles that contribute to this process. DOI organizations include the Office of the Secretary, BIA, OST, BLM, MMS, OHA, OSM among others. Offices include Central Offices, Regional Offices, Agency (Field) Offices, etc. All individual roles that contribute, in a significant manner, should be identified.*

Organization	Office	Role	Contribution
BIA	Agency/Field Office		Enter land use contract terms and



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Organization	Office	Role	Contribution
			<p>conditions and payor information in the leasing system so that the funds receivable system will update.</p> <p>Create funds receivable entry for conveyances and probate settlements.</p> <p>Create funds receivable entry for non-trust monies due.</p> <p>Direct payors to submit funds to the lockbox when they bring payments to the local office.</p> <p>Collect fees for inexpensive, revocable permits, attach a remittance advice, and mail to the lockbox.</p> <p>Assist in resolving posting errors and remittance deficiencies and delinquencies.</p> <p>Authorize 10-day show cause notification to a delinquent or deficient payor.</p>
MMS	Financial Management		<p>Receive royalties from trust assets.</p> <p>Reconcile receipts with the royalty report (Form 2014).</p> <p>Reconcile royalties received with the production report.</p> <p>Transmit royalty information to OST Trust Services.</p>
OST	Trust Field Operations		<p>Create fund receivable for anticipated atypical receipts, such as judgment funds and other non-recurring receipts.</p> <p>Assist in resolving posting errors and remittance deficiencies and delinquencies.</p>
OST	Trust Services, OTFM		<p>Generate and deliver invoices and remittance advice to payors.</p>



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Organization	Office	Role	Contribution
			Update funds receivable with payments received in the lockbox. Receive royalty detail from MMS. Reconcile royalties received with lease and ownership detail. Distribute payments, interest earned and other receipts to appropriate accounts. Post beneficiary accounts. Produce exception report. Produce deficiency report. Perform reconciliation between payments received, funds receivable and beneficiary and escrow account balances. Perform quality assurance. Reconcile with Treasury. Reconcile with lockbox operation. Calculate penalties and late fees due on late or under payments. Record penalties and late fees receivable to accounts. Send 10-day show cause notices.
Compacted and Contracted Tribes			Assist in resolving posting errors and remittance deficiencies and delinquencies.

4.2 Non-DOI Organizations. Identify the non-DOI organizations that support the execution or control of this process.

External Organization	Contribution
Payors, such as ranchers and farmers who lease or permit trust land	Receive invoice and remittance advice (payment coupon). Send payments with remittance advice to lockbox. Resolve and/or explain late or underpayments. Receive 10-day show cause notice, if warranted. Receive bill and remittance advice for penalties and late fees due, if appropriate.



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External Organization	Contribution
	Pay fees for inexpensive, revocable permits at a BIA agency or field office.
Royalty payors, such as oil and gas operators	Send payments to MMS.
Financial institution	Manage the lockbox operation. Provide deposit information electronically to OST Trust Services. Mail remittance advices to Trust Services daily. Assist with reconciliation.
Custodian	Remit funds resulting from investment activity.
Treasury	Receive and hold deposited funds until they are disbursed. Classify deposits to DOI accounts as directed by DOI.
Other federal agencies, including MMS	Remit amounts to Trust Services via IPAC. Assist with reconciliation.

- 5. Event(s)** Identify the events or conditions that start the process. Describe each event and indicate the frequency (daily, monthly, quarterly, etc.) in which each event is expected to occur. An event may be an external interaction (a beneficiary submits an application), the expiration of a period of time (a lease is due to expire in 90 days), or the realization of some pre-defined threshold (an IIM account reaches the automatic disbursement threshold).

Event	Description	Estimated Frequency
A commitment of trust-related funds is made	A land use agreement is completed and approved. A production-based contract begins producing. Receipt of atypical funds is anticipated.	Daily
Arrival of funds at lockbox	Payors submit trust and non-trust funds and remittance advice to the lockbox. Payment may include penalties and late fees.	Daily
Credit of funds to Treasury's General Account	Funds received in the lockbox are credited to Treasury's General Account.	Daily
Performance default occurs	Transfer of funds collected against a performance bond to a trust account.	Daily
IPAC transmittal is received	Transmittal of funds from other federal agencies.	Daily



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Event	Description	Estimated Frequency
Receipt of investment income	Receipt of investment income from custodian or Treasury is posted to the appropriate account.	Daily
A land use contract bidder is selected	A transfer of non-trust funds to a trust fund account occurs when a successful bidder's deposit is applied to the first payment due on the contract.	Daily
The purchase of an inexpensive, revocable permit	A revocable permit, such as a hunting permit, is issued by a BIA agency or field office.	Daily
A delinquent or deficient payment occurs	Monies received are not equal to the funds due.	Daily
An attempt is made to post a receipt of funds	A receipt of funds cannot be posted to the appropriate account(s).	Daily

6. Inputs and Outputs. Identify and describe all inputs and outputs related to this process. Inputs are information or materials used during the execution of the process; outputs are materials or information produced by the process.

6.1 Inputs

Input	Description
A commitment of trust funds	Funds due from commitments, such as land use contracts, probate settlements, judgments, and funds due from other federal agencies, or Treasury.
A commitment of non-trust funds	Non-trust funds due that are related to a trust transaction, such as bid deposits or administrative fees.
Fund receipts or transfers	Money received in the lockbox, deposited for credit to Treasury's General Account and posted to the appropriate trust fund, escrow or administrative account. Funds transferred from a non-trust to a trust account. May include money or transfers received that do not flow through the receivables system, such as interest earned or subsurface lease payments.
Funds receivable account	Payor accounts created to record payments due and money received.
Beneficiary account	An account created to receive and disburse trust-related monies to individual Indian and tribal beneficiaries.



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Input	Description
Escrow or administrative accounts	Accounts that document the receipt and disbursement of non-trust monies, such as administrative fees, bid deposits and performance bonds.
Ownership and distribution information	Ownership information that lists those with an ownership interest in trust assets and those with a financial interest in trust receipts and disbursements. When land use contract payments are received, the funds receivable system interfaces with the leasing system and matches the commitment ID on the remittance coupon with tract IDs which interface with ownership records in the title system in order to identify the account holders who have a financial interest in the incoming funds.
Royalty Report (2014)	A mineral operator's explanation of royalty payment.
Production Accountability Audit	Non-compliance and reconciliation issues that are material or frequent enough to merit an audit.

6.2 Outputs

Output	Description
Payor invoice and remittance advice	Bill and remittance advice for payments due on commitments. May include penalties and late fees due.
Funds receivable entry	<p>The documentation of trust and non-trust funds due from commitments that is created in the funds receivable system. For monies related to land use contracts, terms and payor information is entered when the contract is finalized and the receivable entry is booked when a payor invoice is generated.</p> <p>Account updated with penalties and late fees due.</p> <p>Posted receipts and updated account balance.</p> <p>Account balance adjusted to reflect reconciliation.</p>
Beneficiary account entry	<p>Posted receipts and updated account balance. May include money or transfers received that do not flow through the receivables system, such as interest earned or subsurface lease payments.</p> <p>Account balance adjusted to reflect reconciliation.</p>
Escrow or administrative account entry	<p>All non-trust funds received, such as administrative fees, bid deposits and performance bonds, whether or not recorded in the funds receivable system, posted to the appropriate non-trust fund accounts.</p> <p>Account balance adjusted to reflect reconciliation.</p>



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Output	Description
Exception report	Report of receipts that cannot be posted to funds receivable and/or an account, and therefore requiring further investigation.
Payor Deficiency Report	Report of receipts that are different than the anticipated receipt recorded in the funds receivable system and therefore require investigation.
10-day show cause notice	Notice to payors to make payment due or explain why payment was not made, made late or underpaid.
Reconciliation reports	Information to reflect accounts have been reconciled.

7. Fiduciary and Legal Obligations and Controls

7.1 Obligations Identify and describe the legal and fiduciary obligations that impact this process. For each obligation, indicate the document or commitment that defines the obligation and the citation (paragraph or section) within the document that pertains to this process.

Obligation	Source	Business Impact
Regulations for carrying out the duties to manage and administer trust assets	25 CFR 115	Guidelines for management of trust funds for tribes and individual Indians.
Leasing on trust assets related to bonuses, damages and fees	25 CFR 211.24	Regulation concerning deposit of funds.
Rights of Way: compensation for granting of easements and deposits for survey damages	25 CFR 169.14	Regulation concerning deposit of funds.
Protect the value of a depletable asset	New Mexico Uniform Principal and Income Act	Gives the trustee authority to allocate money earned from a trust land use contract between the life estate and the remainderman.
Federal Oil & Gas Royalty Management Act (FOGRMA)	30 USC 1701	Provides for royalty management on Federal and Indian leases such as revenue accountability requirements.
Freedom of Information Act (FOIA)	5 USC 552	Provides specifically that "any person" can make requests for government information. Citizens who make requests are not required to identify themselves or explain why they want the information they have requested. All branches of the Federal government must adhere to the provisions of FOIA with certain restrictions for work in progress (early drafts), enforcement



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Obligation	Source	Business Impact
		confidential information, classified documents, and national security information.
Privacy Act of 1974	5 USC 552 (a)	Protects information pertaining to individuals.

7.2 Controls Identify and describe any controls (enforcement mechanisms) that may be used to ensure that the process adheres to obligations and internal process requirements. Controls may be reviews, audits, segregated duties, etc. Indicate the reason that each control should be introduced (name the obligation that a control is intended to enforce; indicate any controls required to ensure consistency or reliability).

Control	Reason	Description
Generally Accepted Accounting Principles (GAAP)	Ensure that financial records meet industry standards and are auditable.	Accounting industry standards.
Federal Financial Accounting Standards	Ensure that financial records meet federal standards and are auditable.	Financial standards issued by the Federal Accounting Standards Advisory Board.
Federal Manager's Financial Integrity Act 1982 (FMFIA)	Ensure compliance with the requirements of internal accounting and administrative controls.	Federal financial standards.
DOI Accounting Handbook	Ensure standard department accounting practices.	Detailed desk procedures that include identified service standards and management overview to ensure service standards are met.
Interagency Handbook	Ensure that the distinctions between the BIA and OST responsibilities are defined, understood and followed.	Define roles and responsibilities of OST and BIA.
Risk assessments	Ensure that risks are understood and mitigated as much as possible.	Measurement of quality assurance.
Reconciliation of accounts	Ensure that accounts are in balance.	Analysis of account balances.
Service levels	Performance management.	Agreed upon allowable time limits for performing tasks, such as funds deposit and posting.



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Control	Reason	Description
Audits	Ensure adherence to policies and procedures and that an audit trail is intact.	Analysis, adjustment of accounts. May include a certification of accuracy from a non-prejudiced accounting professional.
An internal audit control function is in place following OCC requirements to monitor processes	DOI consults with OCC to develop trust standards and regulations to ensure compliance with stated objectives.	Office of Controller of the Currency (OCC) - Regulation 9. Government financial standards.
Month-end unit reconciliation includes an aging process	Identify and clear exceptions, deficiencies and delinquencies within specified timeframes. Exceptions older than the stated standard are reviewed by a senior manager.	Internal control procedure.
Peer review, sampling, management control review and quality assurance	Ensure consistent adherence to financial procedures and accuracy of accounting entries.	Internal audits and checks.

8. Mechanisms (Systems of Record) *identify the mechanisms, or systems, that are needed to support the process (ex: Ownership, Leasing, Workflow Management, Office Filing System, etc.). Indicate the information and activities, relevant to this process, that each system supports.*

System Name	Support
Trust Financial Accounting System (TFAS)	Technology that applies receipts, distributions and disbursements to the appropriate beneficiary and escrow accounts. An escrow tracking module is also included.
Funds receivable system	Technology that tracks payor commitments of funds, such as leases, judgment awards, sales, probate settlements, and receipts against those commitments. A cash management module that allocates projected and actual receipts to and from beneficiary accounts is also included.
Leasing system	Technology, such as TAAMS Realty, that maintains land use contracts.
Title system	Technology, such as TAAMS Title, that maintains ownership information including those with an ownership interest in trust assets and those with a financial interest in trust receipts and disbursements.
Penalties and late fees due calculator	Technology that computes penalties due on under or late payments.



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System Name	Support
Intra Governmental Payments and Collections System (IPACS)	Technology that transfers funds between governmental departments, bureaus and agencies.

9. Inter-Process Relationships *Identify other Trust processes that are related to this process (either predecessors or successors). If applicable, indicate the condition under which the processes are related.*

9.1 Predecessors. *Predecessors are processes that either produce information required by this process or that result in the need to execute this process.*

Process No.	Name	Condition of Relationship
B.6.3.1	Beneficiary Account Administration	Perform beneficiary account maintenance as needed.
B.6.3.2	Receivable Administration	Determine atypical monies due, such as judgments and probate settlements.
UM.2.1.2	Process Pre-Contract Receipt Encoding	Remittance advices for monies, such as first year rentals, required to perfect land use contracts.
UM 2.6	Approve Land Use Contract	Perfect a land use contract.
UM 2.7	Administer Land Use Contract	Modify a land use contract.
UM.4.4	Perform Enforcement Action	Land use non-compliance issues may result in fines and penalties.
UM.4.6.3	Reconcile Production	Receive reconciliation of production reports to funds received and help to resolve exceptions and deficiencies. Receive production information so that penalties and interest can be charged appropriately.
O.3.3	Close Probate Case	A transfer from an estate account to a beneficiary account will occur when a probate case is settled.
O.1.5	Close Transaction	Close a conveyance transaction.
FO.2.2	Pool and Sweep for Short Term Investment	Receipt of interest earned on trust funds invested with Treasury.
FO.2.3	Execute Trades for Long Term Investment	Funds received from investment transactions.



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9.2 Successors. *Successors are processes that either use information produced by this process or that must be executed as a result of performing this process.*

Process No.	Name	Condition of Relationship
B.3	Communicate Information	Receive exceptions report indicating receipts that cannot be posted and help to resolve.
B.6.3.2	Receivable Administration	Receive exceptions report indicating receipts that cannot be posted and help to resolve. Receive deficiency reports indicating late payments or underpayments received and help to resolve.
UM.2.4	Conduct Bidding	Bid deposits have been received and posted to a non-trust account.
UM.4.1	Monitor Management Units	Receive exception report indicating receipts that cannot be posted and help to resolve. Receive deficiency report indicating late payments or underpayment receipts and help to resolve. Enforce financial land use contract compliance. Authorize a 10-day show cause notice to be sent to a delinquent or deficient payor.
UM.4.6.4	Perform Production Accountability Audit	Non-compliance and reconciliation issues are material or frequent enough to merit an audit.
O.3.3	Close Probate Case	Receive deficiency reports and help to resolve.
O.1.5	Close Transaction	Receive deficiency reports and help to resolve.
FO.2.1	Review Accounts and Investment Options	Projected and actual receipts are available for cash management review.
FO.3.1	Create Funds Payable	Receipts are scheduled for disbursement to a beneficiary or third party.
FO.3.3	Reconcile Pre-Disbursement Exceptions	Trust and non-trust funds that are projected to be received before the scheduled disbursement date but have not been received yet.
FO.3.4	Disburse Funds	Monies are automatically disbursed to the beneficiary when received.
FO.4	Omnibus Reconciliation	Cash receipts and associated account balances are available for the reconciliation.



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Process No.	Name	Condition of Relationship
FO.5	Reporting and Statements	Funds receivable information is available for inclusion in the beneficiary account statements. Receipts have been posted to the appropriate accounts.

10. Comments Summarize any discussion, problems, issues or recommendations that should be considered when reviewing process performance. Category Values (Note, Best Practice, Decision, Problem, Issue, Recommendation)

Category	Comment
Recommendation	An automated billing numbering sequence is needed.
Issue/Recommendation	Small dollar accounts: 1) Educate account holders to plan for spending, especially the minor accounts, so that in certain years they can withdraw all the money and close the account; or 2) Project the future income using the fund receivable system.
Issue	Determine if one or multiple lockboxes (e.g. royalties separate from other receipts) in one or multiple locations is most prudent.
Issue	How will debt collection be handled and who is responsible?
Issue	How do we ensure the performance bonds remain valid after the guarantee expires? In the past, many bonds were invalid when the collateral needed to be collected.
Issue/Recommendation	If a bidder fails to meet the deadline to deposit the bid in the lockbox and/or does not submit the requisite information, will the bid be accepted? We need new regulations to protect the government against a bidder's lawsuit when the bid is not received in the lockbox or does not include the requisite information by the due date.